



House of Representatives

General Assembly

File No. 2

February Session, 2004

House Resolution No. 3

House of Representatives, February 24, 2004

The House Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE STATE OF CONNECTICUT AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO, ADMINISTRATIVE CLERICAL (NP-3) BARGAINING UNIT.

Resolved by this House:

- 1 That the collective bargaining agreement between the State of
- 2 Connecticut and the American Federation of State, County and
- 3 Municipal Employees, AFL-CIO, Council 4, Administrative Clerical
- 4 (NP-3) Bargaining Unit, submitted to this assembly December 4, 2003,
- 5 for approval, as provided in subsection (b) of section 5-278 of the
- 6 general statutes, is approved.

APP *House Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agencies Affected	FY 03 \$	FY 04 \$	FY 05 \$
All Funds - Cost	Various	0	5,537,671	16,039,389
GF - Cost	Various	0	3,893,191	11,268,291
TF - Cost	Various	0	627,020	1,816,320

Note: GF=General Fund, TF=Transportation Fund

Municipal Impact: None

Explanation

This collective bargaining agreement for the Administrative Clerical (NP-3) bargaining unit is submitted for approval for the four-year period July 1, 2002 through June 30, 2006. Costs shown above are for the 4,411 All Funds employees, including 2,992 General Fund employees and 455 Transportation Fund employees covered by this contract. The FY 06 cost associated with this contract is \$28,313,334 for All Funds, of which \$19,885,045 is for the General Fund and \$3,206,423 is for the Transportation Fund. The annualized FY 06 cost associated with this contract is \$30,106,812 for All Funds, of which \$21,143,042 is for the General Fund and \$3,409,523 is for the Transportation Fund. Details of the costs are attached.

This agreement prohibits additional layoffs of permanent employees for the remainder of the contract period, except for layoffs due to agency consolidations, closings, and/or programmatic reductions enacted by the legislature. This provision does not apply to temporary or durational positions, or to grant-funded or federally-funded positions upon the expiration of those funds.

The appropriations act (PA 03-1, June 30 Special Session) removed funding for unsettled contracts for FY 03, FY 04 and FY 05. However, the governor's revised recommended budget provides sufficient

funding to cover the costs of this agreement in the Reserve for Salary Adjustments account.

**Office of Fiscal Analysis
Cost Estimate of Collective Bargaining Agreement
All Funds**

Administrative Clerical (NP-3) Bargaining Unit

Agencies Affected: Various

Term of Contract: Four years, July 1, 2002 through June 30, 2006

Number of Full-Time Employees Affected by Contract:

General Fund	2,992
Transportation Fund	455
Other Funds	<u>964</u>
All Funds	4,411

Cash Basis Percent Increase

	Salary	Total	General Wage Increase	Lump Sum & Annual Increment	Other
Prior to Contract	\$ 40,204				
1 st Year of Contract (FY 03)	40,204	0.00%	0.00%	0.00%	0.00%
2 nd Year of Contract (FY 04)	41,314	2.76%	2.75%	0.01%	0.00%
3 rd Year of Contract (FY 05)	42,503	2.88%	2.86%	0.01%	0.01%
4 th Year of Contract (FY 06)	44,050	3.64%	2.86%	0.78%	0.00%

Annualized Basis Percent Increase

	Salary	Total	General Wage Increase	Lump Sum & Annual Increment	Other
Prior to Contract	\$ 40,204				
1 st Year of Contract (FY 03)	40,204	0.00%	0.00%	0.00%	0.00%
2 nd Year of Contract (FY 04)	42,239	5.06%	2.97%	2.08%	0.01%
3 rd Year of Contract (FY 05)	44,291	4.86%	2.98%	1.87%	0.01%
4 th Year of Contract (FY 06)	46,258	4.44%	2.98%	1.46%	0.00%

Cost Summary Data (Estimated):

At End Percent

	Prior to Contract	of Contract (Annualized)	Increase (4 years)
Salaries[1]	\$ 177,341,612	\$ 204,017,065	15.04%
Fringe Benefits[2]			
Current Items	\$ 64,178,838	\$ 68,641,641	
Negotiated Improvements	<u> -</u>	<u> 85,000</u>	
Total Fringe Benefits	\$ 64,178,838	\$ 68,726,641	7.09%
Total	\$ 241,520,450	\$ 272,743,707	12.93%

3.09% average per year (compounded)

[1] Salaries include base salary, longevity payments, shift and weekend differentials, and hazardous duty payments.

[2] Fringe Benefits include Social Security, normal cost of pension contributions, health and life insurance, Tuition Reimbursement, Conference Fund, Special Programs Fund, and Labor Management Fund.

Detail of Cost Estimates All Funds

Contract Items	FY 06				
	FY 03	FY 04	FY 05	FY 06[1]	Annualized [1]
First Year (FY 03)					
No Salary Increases	\$ -	\$ -	\$ -	\$ -	\$ -
Total First Year	\$ -	\$ -	\$ -	\$ -	\$ -
Second Year (FY 04)					
General Wage Increase (3%) Effective 7/11/03 (24 pay periods)		\$ 4,868,533	\$ 5,274,244	\$ 5,274,244	\$ 5,274,244
Annual Increments, Delayed Six Months		17,998	3,408,277	3,543,048	3,543,048
\$500 Lump Sum at Maximum, Delayed Six Months		4,000	139,500	139,500	139,500
Increase Conference Fund from \$20,000 to \$25,000		5,000	5,000	5,000	5,000
Increase Tuition Reimbursement Fund from \$125,000 to \$150,000		25,000	25,000	25,000	25,000
Increase Night Shift Differential from \$0.65 to \$0.70, Effective the First Pay Period 30 Days after Legislative Approval		3,245	16,876	16,876	16,876
Increase Meal Reimbursements, Effective 7/1/03		minimal	minimal	minimal	minimal
Total Second Year		\$ 4,923,776	\$ 8,868,897	\$ 9,003,668	\$ 9,003,668
Third Year (FY 05)					
General Wage Increase (3%) Effective 6/25/04 (25 pay periods)			\$ 5,325,734	\$ 5,538,763	\$ 5,538,763
Annual Increments, Delayed Six Months			13,638	3,203,676	3,237,327
\$500 Lump Sum at Maximum, Delayed Six Months			4,000	252,000	252,000
Increase Conference Fund from \$25,000 to \$30,000			5,000	5,000	5,000
Increase Tuition Reimbursement Fund from \$150,000 to \$175,000			25,000	25,000	25,000
Increase Night Shift Differential from \$0.70 to \$0.75, Effective 7/1/04			15,967	16,876	16,876
Total Third Year			\$ 5,389,339	\$ 9,041,314	\$ 9,074,966
Fourth Year (FY 06)					

Contract Items	FY 06				
	FY 03	FY 04	FY 05	FY 06[1]	Annualized [1]
General Wage Increase (3%) Effective 6/24/05 (25 pay periods)				\$ 5,578,890	\$ 5,802,046
Annual Increments				1,297,053	2,633,774
\$500 Lump Sum for Employees at Maximum				221,000	221,000
Increase Tuition Reimbursement Fund from \$175,000 to \$200,000				25,000	25,000
Total Fourth Year				\$ 7,121,944	\$ 8,681,819
Total Contract Items	\$ -	\$ 4,923,776	\$ 14,258,236	\$ 25,166,926	\$ 26,760,453
Cost Impact on Part-Time Employees	-	222,500	645,600	1,140,400	1,212,900
Social Security Costs [2]	-	391,395	1,135,553	2,006,008	2,133,459
Total Cost of Contract	-	5,537,671	16,039,389	28,313,334	30,106,812
Estimated General Fund Cost	\$ -	\$ 3,893,191	\$ 11,268,291	\$ 19,885,045	\$ 21,143,042
Estimated Transportation Fund Cost	\$ -	\$ 627,020	\$ 1,816,320	\$ 3,206,423	\$ 3,409,523

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls. PA 03-1 of the June 2003 Special Session authorizes the development of the 2005-2007 state budget on a GAAP (Generally Accepted Accounting Principles) basis. This change will basically add one-tenth of a payroll to annual costs beginning in FY 06.

Note: This agreement also provides for a number of changes, which will have a minimal overall cost or savings impact to the state. These include changes in the calculation of the pay rate of employees reemployed after layoff in a lower salary grade, changes in the method of repayment for advanced sick leave and changes in how holiday pay is calculated for some employees. In addition, employees may now receive half a day off for union sponsored summer picnics or holiday parties (as an alternative to agency sponsored events) and there will be a labor-management discussion to review the implementation of the correctional pay differential.

OFA Bill Analysis

HR 3

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SUMMARY:

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

COMMITTEE ACTION

Appropriations Committee

House Favorable Report

Yea 34 Nay 0